



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

April 20, 2005

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First St., N.E. Room 1A
Washington, DC 20426

Docket Nos: CP04-386-000, CP04-400-000, CP04-401-000, CP04-402-000

Dear Ms. Salas:

In accordance with the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, Environmental Protection Agency (EPA) Region 6 has reviewed the Draft Environmental Impact Statement (DEIS) for the proposed construction and operation of the liquefied natural gas (LNG) import terminal(Jefferson County, Texas) and natural gas pipelines (Jefferson, Orange and Newton counties, Texas and Calcasieu Parish, Louisiana) proposed by Golden Pass LNG Terminal and Pipeline Project. The Golden Pass LNG proposed facility would transport up to 2.0 billion cubic feet per day of imported natural gas to the U.S. market.

EPA rates the DEIS as "EC-2," i.e., EPA has "**Environmental Concerns and Requests Additional Information in the Final EIS (FEIS).**" EPA has identified environmental concerns that may require changes to the preferred alternative or application of mitigation measures that can reduce environmental impact. EPA asks for additional information to be included in the FEIS to complement and to more fully insure compliance with the requirements of NEPA and the Council on Environmental Quality (CEQ) regulations. Areas requiring additional information or clarification include: explanation of alternative selection, additional impact discussion of invasive species and other organisms, and air quality impact and conformity.

Our classification will be published in the *Federal Register* according to our responsibility under Section 309 of the Clean Air Act to inform the public of our views on this proposed Federal action. Detailed comments are enclosed with this letter to more clearly identify our concerns. If you have any questions, please contact Mike Jansky of my staff at (214) 665-7451 or jansky.michael@epa.gov, for assistance.

EPA appreciates the opportunity to review the DEIS. Please e-mail Mike Jansky an electronic verison and mail one copy of the FEIS when it is sent to the Office of Federal Activities, EPA (Mail Code 2252A), Ariel Rios Federal Building, 1200 Pennsylvania Ave, N.W., Washington, D.C. 20004.

Sincerely yours,

/S/
Rhonda M. Smith, Acting Chief
Office of Planning and
Coordination (6EN-XP)

Enclosure

**DETAILED COMMENTS
ON THE
GOLDEN PASS LIQUEFIED NATURAL GAS (LNG)
AND PIPELINE PROJECT
DRAFT ENVIRONMENTAL IMPACT STATEMENT
JEFFERSON, ORANGE, AND NEWTON COUNTIES, TEXAS AND
CALCASIEU PARISH, LOUISIANA**

BACKGROUND

The Draft Environmental Impact Statement (DEIS) for projects proposed by Golden Pass LNG Terminal L.P. and Golden Pass Pipeline, L.P. has been prepared by the Federal Energy Regulatory Commission to fulfill the requirements of the National Environmental Policy Act and the Commission's implementing regulations under Title 18, Code of Federal Regulations, Part 380. Golden Pass proposes to construct and operate a new LNG import terminal in Jefferson County, Texas that would include LNG ship unloading berths, LNG storage and vaporization, and a new natural gas pipeline system to deliver the vaporized natural gas to 11 interconnections with the existing interstate and intrastate pipeline systems. The proposed facility would import, store, and vaporize an average of approximately 2 billion cubic feet per day of natural gas for delivery into the existing intrastate and interstate pipeline systems.

COMMENTS

The onshore terminal would be located on the Port Arthur Channel of the Sabine-Neches Waterway in Jefferson County, Texas, and the three proposed pipelines would extend for a distance of approximately 122 miles in eastern Texas and western Louisiana. Considering the critical role wetlands serve in coastal Louisiana and Texas, avoiding wetland losses should be a primary focus of the alternatives analysis. The EIS should extensively analyze any and all less environmentally damaging practicable alternatives to the proposed project, with a focus on the direct and cumulative impacts. In addition, alternative routes that might eliminate or reduce wetland impacts from constructing the pipelines should be considered.

Accordingly, Section 3.8.1.3 "Use of a Shorter Proposed Pipeline System," describes an alternative that would result in avoiding pipeline impacts to forested wetlands by reducing the furthest 35 miles of pipeline, and would rely on the existing send out capacity between the AEP Texoma Interconnect and the Transco Interconnects. However, the DEIS indicates that this alternative was not explored in detail because of the uncertainty or difficulty in determining the available pipeline transport capacities and existing customer base in 2007, when the new pipeline system would be constructed. The additional new pipeline was selected as the preferred alternative because it would increase takeaway capacity and "diversity." If we understand the argument then, a new pipeline would always be the alternative of choice rather than utilizing existing pipelines or upgrading existing pipeline capacities. A clearer explanation of this alternative selection analysis should be provided in the FEIS. The FEIS should also include an analysis of a coordinated pipeline delivery system between the two proposed ExxonMobil LNG

pipeline projects in this same area (the onshore Golden Pass LNG pipeline and the onshore portion of the Pearl Crossing pipeline).

The 122.4 miles of new pipeline that would be constructed for the preferred alternative for this LNG project represent about 22% of the total mileage (approximately 570 miles) of new onshore pipelines associated with LNG facilities in this area (Trunkline, Sempra Hackberry/Cameron, Sempra Port Arthur, Cheniere Sabine Pass, Cheniere Creole Trail, ExxonMobil Pearl Crossing, and ExxonMobil Golden Pass). This is significant and the cumulative impacts analysis should include a discussion of all practical measures to minimize new pipeline construction. In addition, since six of the projects are proposed by the same three companies, there should be an explanation of whether any new pipeline construction could be further minimized by planning for joint pipeline delivery service among projects proposed by the same companies. The option of utilizing the same or portions of the same new pipeline corridors should also be considered.

Although the DEIS mentions the potential for noxious weeds and other invasive plants to become established at the construction sites, we could not find an analysis of marine pollution issues that might arise from the increase in foreign vessel traffic on the Sabine-Neches Waterway as a direct result of this project as well as cumulative effects of the increased traffic from other LNG facilities being proposed for this same channel. The environmental analysis should include the potential for invasive species introduction from organisms that might travel affixed to or onboard the LNG vessels or associated with any materials exchanged at the port.

In the Executive Summary, page ES-5, 5th full paragraph, EPA recommends the deletion of the sentence, "Air emissions resulting from the construction of the LNG terminal and pipeline system would be short-term and would not significantly affect air quality of the region." This statement is subjective and not supported elsewhere in the document where construction emissions are quantified. For instance, NO_x construction emissions are estimated to be 662 tons per year and emissions from other criteria pollutants are over 100 tons per year.

Although general conformity requirements pertaining to the LNG terminal and pipeline construction in Texas are addressed in the document, construction emissions from the pipeline planned in Calcasieu Parish, Louisiana are not. Currently, Calcasieu Parish is a 1-hour ozone maintenance area and general conformity applies to Federal actions in this parish. However, it should be noted that the 1-hour ozone standard is scheduled to be revoked on June 15, 2005, after which the general conformity will no longer apply. Any Federal actions before this date are subject to the general conformity requirements.